

FINANCIAL AUDIT  
INCLUDING THE PROVISIONS OF THE SINGLE AUDIT ACT  
OF THE

DEPARTMENT OF CIVIL RIGHTS

October 1, 1994 through September 30, 1996

# EXECUTIVE DIGEST

## DEPARTMENT OF CIVIL RIGHTS

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INTRODUCTION	This report contains the results of our financial audit* , including the provisions of the Single Audit Act, of the Department of Civil Rights for the period October 1, 1994 through September 30, 1996.
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AUDIT PURPOSE	This financial audit of the Department was conducted as part of the constitutional responsibility of the Office of the Auditor General and is required on a biennial basis by Act 251, P.A. 1986, to satisfy the requirements of the Single Audit Act of 1984 and Office of Management and Budget Circular A-128, <i>Audits of State and Local Governments</i> .
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BACKGROUND	The Department is responsible for processing complaints alleging unlawful discrimination, enforcing the laws governing discrimination, and approving plans to correct past discriminatory practices that have caused or resulted in a denial of equal opportunity for individuals.
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The Department has an annual contract with the U.S. Equal Employment Opportunity Commission (EEOC) that provides federal funds for the Department to investigate complaints of discrimination under several federal laws, such as Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans With

\* See glossary on page 32 for definition.

Disabilities Act. The contract requires the Department to comply with federal laws, regulations, and procedures for investigating and reporting the results of investigations.

The Department and the EEOC have entered into a work sharing agreement that defines which agency will investigate a given complaint and other routine interactions between the agencies.

As of September 30, 1996, the Department had 179 full-time employees. The Department's total expenditures were \$13,457,888 for fiscal year 1995-96.

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**AUDIT OBJECTIVES  
AND CONCLUSIONS**

**Audit Objective:** To assess the adequacy of the Department's internal control structure\* , including applicable administrative controls related to the management of federal financial assistance programs.

**Conclusion:** Our assessment of the Department's internal control structure did not disclose any reportable conditions\*. Also, our assessment indicated that the Department was in substantial compliance with the requirements set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws* pertaining to its systems of internal accounting and administrative control.

**Audit Objective:** To assess the Department's compliance with both State and federal laws and regulations that could have a material effect on either the Department's financial schedules or any of its major federal financial assistance programs.

**Conclusion:** Our assessment of the Department's compliance with laws and regulations did not disclose any

\* See glossary on page 32 for definition.

instances of noncompliance that could have a material effect on the Department's financial schedules or any of its major federal financial assistance programs. We did not identify any questioned costs during the audit period.

**Audit Objective:** To audit the Department's financial schedules for the fiscal years ended September 30, 1996 and September 30, 1995.

**Conclusion:** We expressed an unqualified opinion on the Department's financial schedules for the fiscal years ended September 30, 1996 and September 30, 1995.

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**AUDIT SCOPE**

Our audit scope was to examine the financial and other records of the Department of Civil Rights for the period October 1, 1994 through September 30, 1996. Our audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit objective for the assessment of the internal control structure included an evaluation of the Department's implementation of the requirements for establishing and maintaining systems of internal accounting and administrative control, as set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws*.

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**PRIOR AUDIT  
FOLLOW-UP**

The Department complied with the one prior audit recommendation included within the scope of our current audit.

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Dr. Evelyn L. Crane, Chair  
Civil Rights Commission  
State of Michigan Plaza Building  
Detroit, Michigan

Dear Dr. Crane:

This is our report on the financial audit, including the provisions of the Single Audit Act, of the Department of Civil Rights for the period October 1, 1994 through September 30, 1996.

This report contains our executive digest; description of agency; audit objectives, audit scope, and prior audit follow-up; comments; and independent auditor's reports on the internal control structure, on compliance with laws and regulations, and on the financial schedules. This report also contains the Department of Civil Rights' financial schedules and note to financial schedules; supplemental financial schedules; and a glossary of acronyms and terms.

Our comments are organized by audit objective.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish, C.P.A.  
Auditor General

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## Description of Agency

The 1963 State Constitution established a Civil Rights Commission consisting of eight persons. The Executive Organization Act of 1965 created the Department of Civil Rights, and the Civil Rights Commission became the governing authority of the Department.

Executive Order 1991-29, effective December 16, 1991, transferred the operations of the Michigan Women's Commission, the Indian Affairs Commission, the Commission on Spanish-Speaking Affairs, and the Office of Spanish-Speaking Affairs from the Department of Management and Budget to the Department of Civil Rights. Each of these operations has an independent commission that administers the laws governing its activities. The Department of Civil Rights is responsible for the budgeting, procurement, and related management functions of the operations.

In addition, the Department of Civil Rights is responsible for processing complaints alleging unlawful discrimination, enforcing the laws governing discrimination, and approving plans to correct past discriminatory practices that have caused or resulted in a denial of equal opportunity for individuals based on race, religion, color, national origin, age, sex, height, weight, familial status, marital status, arrest record, and handicaps.

The Department has an annual contract with the U.S. Equal Employment Opportunity Commission (EEOC) that provides federal funds for the Department to investigate complaints of discrimination under several federal laws, such as Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans With Disabilities Act. The contract requires the Department to comply with federal laws, regulations, and procedures for investigating and reporting the results of investigations.

The Department and the EEOC have entered into a work sharing agreement that defines which agency will investigate a given complaint and other routine interactions between the agencies.

As of September 30, 1996, the Department had 179 full-time employees. The Department's total expenditures were \$13,457,888 for fiscal year 1995-96.

## Audit Objectives, Audit Scope, and Prior Audit Follow-Up

### Audit Objectives

Our financial audit, including the provisions of the Single Audit Act, of the Department of Civil Rights had the following objectives:

1. To assess the adequacy of the Department's internal control structure, including applicable administrative controls related to the management of federal financial assistance programs.
2. To assess the Department's compliance with both State and federal laws and regulations that could have a material effect on either the Department's financial schedules or any of its major federal financial assistance programs.
3. To audit the Department's financial schedules for the fiscal years ended September 30, 1996 and September 30, 1995.

Our audit objective for the assessment of the internal control structure included an evaluation of the Department's implementation of the requirements for establishing and maintaining systems of internal accounting and administrative control, as set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws*.

### Audit Scope

Our audit scope was to examine the financial and other records of the Department of Civil Rights for the period October 1, 1994 through September 30, 1996. Our audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

We considered the Department's internal control structure policies and procedures for its federal financial assistance programs and assessed the Department's compliance with federal laws and regulations in accordance with the Single Audit Act of 1984 and federal Office of Management and Budget Circular A-128, *Audits of State and Local*

*Governments*, in addition to generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, we followed up on the prior audit findings. The Department's major programs are identified on the schedule of federal financial assistance.

#### Prior Audit Follow-Up

The Department complied with the one prior audit recommendation included within the scope of our current audit.

# COMMENTS

## INTERNAL CONTROL STRUCTURE

### COMMENT

**Audit Objective:** To assess the adequacy of the Department of Civil Rights' internal control structure, including applicable administrative controls related to the management of federal financial assistance programs.

**Conclusion:** Our assessment of the Department's internal control structure did not disclose any reportable conditions. Also, our assessment indicated that the Department was in substantial compliance with the requirements set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws* pertaining to its systems of internal accounting and administrative control.

The Michigan Administrative Information Network\* (MAIN) is the Statewide financial management system implemented in fiscal year 1994-95. Individual State agencies are not responsible for the design of the Statewide policies and controls of MAIN. However, because MAIN is a Statewide system, which all State agencies are required to use, the internal control structure of each agency, including the Department of Civil Rights, is affected to varying degrees by MAIN.

Because the Department of Civil Rights' internal control structure is affected by this Statewide system, professional auditing standards required our assessment of internal controls in the Department of Civil Rights to include elements reviewed in our financial related audit of MAIN for the period October 1, 1994 through April 30, 1996. That audit reported 29 reportable conditions, including 3 material weaknesses, which are more fully explained in our separately issued report dated August 31, 1996.

\* See glossary on page 32 for definition.

## COMPLIANCE WITH LAWS AND REGULATIONS

### **COMMENT**

**Audit Objective:** To assess the Department's compliance with both State and federal laws and regulations that could have a material effect on either the Department's financial schedules or any of its major federal financial assistance programs.

**Conclusion:** Our assessment of the Department's compliance with laws and regulations did not disclose any instances of noncompliance that could have a material effect on the Department's financial schedules or any of its major federal financial assistance programs. We did not identify any questioned costs during the audit period.

## FINANCIAL ACCOUNTING AND REPORTING

### **COMMENT**

**Audit Objective:** To audit the Department's financial schedules for the fiscal years ended September 30, 1996 and September 30, 1995.

**Conclusion:** We expressed an unqualified opinion on the Department's financial schedules for the fiscal years ended September 30, 1996 and September 30, 1995.

Independent Auditor's Report on  
the Internal Control Structure

April 8, 1997

Dr. Evelyn L. Crane, Chair  
Civil Rights Commission  
State of Michigan Plaza Building  
Detroit, Michigan

Dear Dr. Crane:

We have audited the General Fund financial schedules of the Department of Civil Rights for the fiscal years ended September 30, 1996 and September 30, 1995 and have issued our report thereon dated April 8, 1997. We have also audited the Department of Civil Rights' compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated April 8, 1997.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the financial schedules are free of material misstatement and about whether the Department complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the fiscal years ended September 30, 1996 and September 30, 1995, we considered the Department's internal control structure and internal control elements reviewed as part of our financial related audit of the Michigan Administrative Information Network in order to determine our auditing procedures for the purpose of expressing our opinions on the Department's financial schedules and not to provide assurance on the internal control structure. The Michigan Administrative Information Network is the Statewide financial management system implemented in fiscal year 1994-95 and, as such, affects the Department's internal control structure. We also considered the Department's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on its compliance with requirements applicable to major federal financial assistance programs, and to report on the internal control structure in accordance with OMB Circular A-128.

The management of the Department of Civil Rights is responsible for establishing and maintaining an internal control structure, which operates in conjunction with the Statewide internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial schedules in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures, including those used in administering federal financial assistance programs, in the following categories:

Accounting Controls

- Payroll expenditures
- Nonpayroll expenditures
- Revenue

Administrative Controls

- General requirements:
  - Political activity
  - Civil rights
  - Federal financial reports
  - Drug-Free Workplace Act
  - Administrative requirements

- Specific requirements:
  - Types of services allowed or unallowed
  - Eligibility
  - Reporting

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the fiscal years ended September 30, 1996 and September 30, 1995, the Department of Civil Rights expended 100% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Department's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the Michigan Administrative Information Network's internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Department's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial schedules or to administer federal financial assistance programs in accordance with applicable laws and regulations.

Our financial related audit of the Michigan Administrative Information Network for the period October 1, 1994 through April 30, 1996 noted 29 reportable conditions on the internal control structure which are more fully explained in our separately issued report on the Michigan Administrative Information Network dated August 31, 1996. Although the Department of Civil Rights is not responsible for the design of the Statewide policies and controls of the Michigan Administrative Information Network, which all State agencies are required to use, these reportable conditions affected the Department's internal control structure.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial schedules being audited or that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures, including those used in administering federal financial assistance programs, would not necessarily disclose all matters in the internal control structure that might be reportable

conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, 3 of the 29 reportable conditions identified in our financial related audit of the Michigan Administrative Information Network were material weaknesses. These conditions were considered in determining the nature, timing, and extent of the procedures performed in our audit of the Department of Civil Rights' financial schedules and of its compliance with requirements applicable to its major federal financial assistance programs for the fiscal years ended September 30, 1996 and September 30, 1995, and this report on the internal control structure does not affect our reports thereon dated April 8, 1997.

This report is intended for the information of management and the Legislature. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Thomas H. McTavish, C.P.A.  
Auditor General

Independent Auditor's Report on  
Compliance With Laws and Regulations

April 8, 1997

Dr. Evelyn L. Crane, Chair  
Civil Rights Commission  
State of Michigan Plaza Building  
Detroit, Michigan

Dear Dr. Crane:

We have audited the General Fund financial schedules of the Department of Civil Rights for the fiscal years ended September 30, 1996 and September 30, 1995 and have issued our report thereon dated April 8, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Department of Civil Rights is the responsibility of the Department's management. As part of obtaining reasonable assurance about whether the financial schedules are free of material misstatement, we performed tests of the Department's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial schedules was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Department of Civil Rights complied, in all material respects, with the provisions referred to in the previous paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Department had not complied, in all material respects, with those provisions.

We have also audited the Department's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the fiscal years ended September 30, 1996 and September 30, 1995. The management of the Department is responsible for the Department's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the previous paragraph occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Department of Civil Rights complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the fiscal years ended September 30, 1996 and September 30, 1995.

We have applied procedures to test the Department's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the fiscal years ended September 30, 1996 and September 30, 1995:

- Political activity
- Civil rights
- Federal financial reports
- Drug-Free Workplace Act
- Administrative requirements

Our procedures for testing compliance with the general requirements were limited to the applicable procedures described in OMB's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures for testing compliance with the general requirements, which are described in the previous paragraph, were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Department's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second previous paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Department of Civil Rights had not complied, in all material respects, with those requirements.

This report is intended for the information of management and the Legislature. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Thomas H. McTavish, C.P.A.  
Auditor General

Independent Auditor's Report on  
the Financial Schedules

April 8, 1997

Dr. Evelyn L. Crane, Chair  
Civil Rights Commission  
State of Michigan Plaza Building  
Detroit, Michigan

Dear Dr. Crane:

We have audited the accompanying schedule of General Fund revenue and the schedule of General Fund sources and disposition of authorizations of the Department of Civil Rights for the fiscal years ended September 30, 1996 and September 30, 1995. These financial schedules are the responsibility of the Department of Civil Rights management. Our responsibility is to express an opinion on these financial schedules based on our audit. The financial transactions of the Department are accounted for principally in the General Fund of the State of Michigan.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1b, the accompanying financial schedules include only the revenue and the sources and disposition of authorizations for the Department's General Fund accounts, presented on the modified accrual basis of accounting. Accordingly, these financial schedules are not intended to constitute a complete financial presentation of either the Department or the State's General Fund in accordance with generally accepted accounting principles.

In our opinion, the financial schedules referred to in the first paragraph present fairly, in all material respects, the revenue and the sources and disposition of authorizations of the Department of Civil Rights for the fiscal years ended September 30, 1996 and September 30, 1995 on the basis of accounting described in Note 1b.

Our audit was made for the purpose of forming an opinion on the Department's financial schedules. The accompanying supplemental financial schedules, consisting of the schedule of certain General Fund assets and liabilities, the schedule of disposition of authorizations by appropriation unit, and the schedule of federal financial assistance, are presented for purposes of additional analysis and are not a required part of the Department's financial schedules referred to in the first paragraph. The information in the supplemental financial schedules has been subjected to the auditing procedures applied in the audit of the Department's financial schedules and, in our opinion, is fairly stated in all material respects in relation to the Department's financial schedules.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 8, 1997 on our consideration of the Department of Civil Rights' internal control structure and a report dated April 8, 1997 on its compliance with laws and regulations.

Sincerely,

Thomas H. McTavish, C.P.A.  
Auditor General

DEPARTMENT OF CIVIL RIGHTS  
Schedule of General Fund Revenue  
Fiscal Years Ended September 30

	<u>1996</u>	<u>1995</u>
REVENUE		
Federal agencies:		
Equal Employment Opportunity Commission contract	\$ 1,466,620	\$ 1,565,125
Housing and Urban Development contract		<u>117,435</u>
Total from federal agencies	\$ 1,466,620	\$ 1,682,560
Contract monitoring fees		29,733
Miscellaneous	<u>13,633</u>	<u>118,674</u>
Total Revenue	<u>\$ 1,480,253</u>	<u>\$ 1,830,967</u>

The accompanying note is an integral part of the financial schedules.

DEPARTMENT OF CIVIL RIGHTS  
Schedule of General Fund Sources and Disposition of Authorizations  
Fiscal Years Ended September 30

	<u>1996</u>	<u>1995</u>
<b>SOURCES OF AUTHORIZATIONS</b>		
General purpose appropriations	\$ 12,120,200	\$ 12,244,100
Balances carried forward	356,263	911,155
Restricted revenue	<u>1,465,700</u>	<u>1,612,098</u>
Total	<u>\$ 13,942,163</u>	<u>\$ 14,767,353</u>
 <b>DISPOSITION OF AUTHORIZATIONS</b>		
Expenditures	\$ 13,457,888	\$ 14,315,499
Encumbrances carried forward	315,729	356,263
Restricted revenue carried forward		8,816
Balances lapsed	168,726	97,014
Overexpended	<u>(180)</u>	<u>(10,239)</u>
Total	<u>\$ 13,942,163</u>	<u>\$ 14,767,353</u>

The accompanying note is an integral part of the financial schedules.

## Note to Financial Schedules

### Note 1 Significant Accounting Policies

#### a. Reporting Entity

The accompanying financial schedules report the results of the financial transactions of the Department of Civil Rights for the fiscal years ended September 30, 1996 and September 30, 1995. The financial transactions of the Department are accounted for principally in the State's General Fund and are reported on in the *State of Michigan Comprehensive Annual Financial Report (SOMCAFR)*.

The footnote accompanying these financial schedules relates directly to the Department. The *SOMCAFR* provides more extensive general disclosures regarding the State's Summary of Significant Accounting Policies, Budgeting and Budgetary Control, Pension Benefits and Other Postemployment Benefits, and Compensated Absences.

#### b. Basis of Accounting and Presentation

The financial schedules contained in this report are prepared on the modified accrual basis of accounting, as provided by generally accepted accounting principles for governmental funds. The modified accrual basis of accounting, which emphasizes the measurement of current financial resource flows, is explained in more detail in the *SOMCAFR*.

The accompanying financial schedules include only the revenue and the sources and disposition of authorizations for the Department of Civil Rights' General Fund accounts. Accordingly, these financial schedules are not intended to constitute a complete financial presentation of either the Department or the State's General Fund in accordance with generally accepted accounting principles.

# SUPPLEMENTAL FINANCIAL SCHEDULES

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DEPARTMENT OF CIVIL RIGHTS  
Schedule of Certain General Fund Assets and Liabilities  
As of September 30

	<u>1996</u>	<u>1995</u>
ASSETS		
Due from federal agencies	\$ 877,572	\$ 256,404
Other assets	\$ 3,350	\$ 218
 LIABILITIES		
Accounts payable	\$ 3,583	\$ 2,488
Deferred revenue	\$ 25,000	\$ 12,500

Note: The amounts presented include only those assets and liabilities for which the Department is directly responsible. The schedule excludes certain other assets and liabilities which are accounted for centrally by the State, such as equity in Common Cash, cash in transit, and warrants outstanding.

DEPARTMENT OF CIVIL RIGHTS  
Schedule of Disposition of Authorizations by Appropriation Unit  
Fiscal Years Ended September 30

	1996				
	Total		Restricted	Balances	
	Authorizations	Expenditures	Revenue and Encumbrances Carried Forward	Lapsed	Overexpended
Commission	\$ 16,200	\$ 7,800	\$	\$ 8,400	\$
Director					
Unclassified	297,400	208,563		88,837	
Civil rights operations	11,763,143	11,376,439	315,729	71,155	(180)
Contract compliance	398,800	398,466		334	
Federal programs:					
Equal Employment Opportunity					
Commission contract	1,466,620	1,466,620			
Housing and Urban					
Development contract					
Total	<u>\$ 13,942,163</u>	<u>\$ 13,457,888</u>	<u>\$ 315,729</u>	<u>\$ 168,726</u>	<u>\$ (180)</u>

1995				
Total Authorizations	Expenditures	Restricted Revenue and Encumbrances Carried Forward	Balances Lapsed	Overexpended
\$ 16,200	\$ 10,275	\$	\$ 5,925	\$
87,300	87,300			
82,800	82,706		94	
12,612,195	12,167,887	365,079	89,468	(10,239)
387,400	385,873		1,527	
1,465,863	1,465,863			
115,595	115,595			
<u>\$ 14,767,353</u>	<u>\$ 14,315,499</u>	<u>\$ 365,079</u>	<u>\$ 97,014</u>	<u>\$ (10,239)</u>

DEPARTMENT OF CIVIL RIGHTS  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1996 and 1995

<u>Grantor Agency/ Federal Financial Assistance Program Title</u>	<u>Grant/ Contract Number</u>	<u>CFDA Program Number</u>	<u>*</u>	<u>Award Period</u>
<b><u>U.S. Equal Employment Opportunity Commission (EEOC)</u></b>				
Employment Discrimination - State and Local Fair Employment Practices Agency Contract	6/5010/0015	30.002	**	10/1/95 - 9/30/96
Employment Discrimination - State and Local Fair Employment Practices Agency Contract	5/5010/0015	30.002	**	10/1/94 - 9/30/95
Employment Discrimination - State and Local Fair Employment Practices Agency Contract	4/5010/0015	30.002	**	10/1/93 - 9/30/94
Employment Discrimination - State and Local Fair Employment Practices Agency Contract	3/5010/0015	30.002	**	10/1/92 - 9/30/93
Total Employment Discrimination - State and Local Fair Employment Practices Agency Contract				
<b>Total U.S. Equal Employment Opportunity Commission</b>				
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Fair Housing Assistance Program - State and Local	FH10069300062	14.401	**	10/1/94 - 9/30/95
<b>Total U.S. Department of Housing and Urban Development</b>				
Total Federal Financial Assistance				

\* CFDA is defined as *Catalog of Federal Domestic Assistance*.

\*\* Major program, as defined by the Single Audit Act.

- (a) Expended amount does not include provision for audit fees:  
     EEOC contract 6/5010/0015 \$12,500  
     EEOC contract 5/5010/0015 \$12,500

- (b) Expenditure of encumbrance authorization carried forward from fiscal years 1992-93 and 1993-94.

<u>Amount of Award</u>	<u>Directly Expended by Department</u>	
	<u>FY 1995-96</u>	<u>FY 1994-95</u>
\$ 1,479,120	\$ 1,466,620 (a)	\$
\$ 1,478,363		1,465,863 (a)
\$ 1,524,972		14,400 (b)
\$ 1,342,666	<u>                    </u>	<u>14,400 (b)</u>
	<u>\$ 1,466,620</u>	<u>\$ 1,494,663</u>
	<u><b>\$ 1,466,620</b></u>	<u><b>\$ 1,494,663</b></u>
\$ 117,435	<u>                    </u>	<u>\$ 115,595</u>
	<u><b>\$ 0</b></u>	<u><b>\$ 115,595</b></u>
	<u><u>\$ 1,466,620</u></u>	<u><u>\$ 1,610,258</u></u>

## Glossary of Acronyms and Terms

EEOC	Equal Employment Opportunity Commission.
financial audit	An audit that is designed to provide reasonable assurance about whether the financial statements/schedules of an audited entity are fairly presented in conformity with generally accepted accounting principles.
internal control structure	The management control environment, accounting system, and control policies and procedures established by management to provide reasonable assurance that resources are safeguarded; that resources are used in compliance with laws and regulations; and that financial transactions are properly accounted for and reported.
Michigan Administrative Information Network (MAIN)	A fully integrated automated financial management system for the State of Michigan.
OMB	federal Office of Management and Budget.
reportable condition	A matter coming to the auditor's attention that, in his/her judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in the design or operation of the internal control structure.
SOMCAFR	<i>State of Michigan Comprehensive Annual Financial Report.</i>